

LETTER OF UNDERSTANDING

Between

WILFRID LAURIER UNIVERSITY

and the

WILFRID LAURIER UNIVERSITY FACULTY ASSOCIATION

Re: Pension Plan Contribution Threshold and Surplus

The University acknowledges that the first priority should the Plan return to a fully funded position would be to bring the Member contributions and the University contributions to the money purchase accounts back to a one-to-one ratio, either through an increase to the University contributions to the money purchase accounts or a reduction to the Member contributions or a combination thereof. Further, in any plan year, if the combination of the University contributions to the money purchase accounts and the University contributions in respect of the minimum guarantee pension for active Members, which shall include both current service cost and special payments, is less than the Member contributions to the money purchase accounts, then the University's combined contributions in that plan year shall be made equal to the Member contributions, either by increasing the University contributions to the money purchase accounts or decreasing the Member contributions, or a combination thereof, at the discretion of the University.

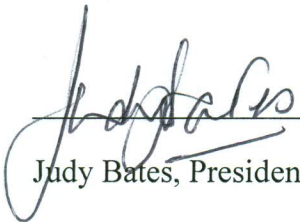
In the event surplus in the Plan exceeds the level at which contribution holidays are permitted under the Pension Benefits Act and its regulations, the University will meet with the Association to discuss a surplus management plan.



Max Blouw, President, WLU

July 20, 2012

Date



Judy Bates, President, WLUFA

July 30, 2012

Date